GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2652
ANSWERED ON:18.08.2006
RECOVERY OF FOREIGN EXCHANGE
Ahir Shri Hansraj Gangaram

Will the Minister of FINANCE be pleased to state:

(a) Whether recovery of foreign exchange for items exported from the country is not being recovered fully;

(b) If so, the extent of foreign exchange in the form of price of exported items is yet to be recovered;

(c) Whether lapses on the part of the Government mechanism have been ascertained for not making recovery of foreign exchange from time to time; and

(d) If so, the steps taken by the Government to resolve these issues?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a)&(b): Every exporter is required to realize and repatriate full export value of goods within 6 months from the date of export. However, following units are permitted to realize and repatriate the value of export proceeds within 12 months from the date of export:

(i) Status Holder as defined in the Foreign Trade Policy

(ii) 100% EOUs set up under Electronic Hardware Technology Parks, Software Technology Parks and Biotechnology Parks.

No period of realization of export proceeds is prescribed for units located in Special Economic Zones.

(c)&(d) : In the case of non-realization of export proceeds for the exports effected by availing export promotion schemes administered by the DGFT the offices of the DGFT initiate necessary proceedings against the exporters for recovery of duty exemption/ neutralization benefit availed and penalty, if any, in terms of the provisions of FT(D&R) Act, 1992 and the Policy and procedures laid thereunder. If the defaulting firm does not pay the same, the Adjudicating Authority declares the firm defaulter, thereby suspending all export benefits to the firm and the Importer-Exporter Code Number of the applicant is suspended/cancelled by the DGFT. In addition, steps are taken for its recovery as an arrear of Land Revenue through the State Government machinery.

The RBI has also directed Authorized dealers/Banks to monitor realization of export bills and take up systematically and vigorously with the concerned exporter when the dues remain outstanding beyond the due date. The matter is also required to be reported to the regional offices of the RBI concerned.